

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC

In the matter of: )  
)  
Study on the Economic Impact of Low Power )  
FM Stations on Full-Service Commercial FM ) MB Docket 11-83  
Stations. )  
)

**REPLY COMMENTS OF REC NETWORKS**

REC Networks (“REC”), an unincorporated entity through its founder Michelle (Michi) Eyre is a long-time proponent for the Low Power FM (LPFM) radio service from the original petitions for the service through today and into the future. Over the years, REC has also been involved in other issues involving a citizen’s access to the electromagnetic spectrum. REC has also always had a concern about broadband availability in rural and other underserved areas.

We continue to feel that the overall economic impact by the 856 currently licensed LPFM stations is negligible compared to the impact to LPFM stations by encroachment by primary FM broadcast stations as well as the actions of co-secondary FM broadcast translators.

**LPFM stations enhance the “shopping mall” called the FM radio dial.** REC agrees that especially with the competition of audio entertainment mediums including the internet, smart phone applications, DARS and inexpensive music downloading, fewer people are listening to the FM broadcast radio spectrum. We agree that the addition of LPFM stations will bring additional choices to the radio, which may encourage some former listeners to turn on their radio again. One of the biggest complaints that we hear is that radio has turned into a wasteland and all of the

stations have so-called “cookie cutter” formats and listeners want more variety. Local voices, local music and local music tastes are being lost as evidenced by the recent wave of college radio sales and format changes.

We agree with Schellhardt’s “shopping mall” analogy<sup>1</sup>. Think of the FM radio dial as a shopping mall. The Clear Channel and CBS owned stations as well as the local NPR affiliate are your JC Penney and Macy’s anchor stores, the other stations in the market are the “Forever 21”-like national chain stores and LPFM can be seen like the smaller stores or even the little kiosks in the mall, each with their own specialty. For the mainstream audience, LPFM enhances the variety of the programming on the FM dial similar to how those little kiosks enhance the variety of shopping in the mall. For niche audiences, LPFM stations serve a specific need, especially where it comes to a language or cultural lifeline that is provided in the station’s entertainment format. This would be similar to a mall store selling a specific product or service. People who normally do not go to the mall may come to the mall specifically for that store but while going to that store, they are also exposed to the bigger stores along the way. The same analogy can be used in radio. LPFM stations can get listeners who may not normally turn on the radio “in the door” (turn on the radio) and they will be exposed to the other stations in the market and occasionally may tune to those stations. We feel in that way, the impact to commercial stations by LPFM will be positive as it has the potential of bringing more listeners back to radio.

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<sup>1</sup> - Comments of Don Schellhardt and Nickolaus Leggett (“Schellhardt”) at 2.

**Commercial radio causes more economic harm to LPFM.** REC feels that the costs that are endured by LPFM stations through the actions of commercial stations through the changes in their facilities, many times to gain a better market share are taxing to LPFM operators through reengineering of facilities, equipment purchases, tower changes or in the worst case scenario, being forced off the air due to encroachment.

REC recognizes that LPFM is a secondary service and that they must give way when full service radio stations make changes. It is the will of Congress to keep LPFM as a secondary service. We feel that it would only be appropriate that an economic impact report on LPFM towards full service stations also include the impact suffered by full service stations making changes, especially those that allow the full service station to gain market share and the impact that this has on the LPFM stations operating on minimal budgets. REC feels that it is only fair that Congress see the impact of the current wording of the LCRA (specifically codifying that LPFM is secondary at the same level as translators) and how that wording has impacted existing and former LPFM stations as they scrape funding to keep their community services afloat.

REC also notes that this predatory activity is also taking place with FM broadcast translators. We note a current case that REC is aware of in the Austin, TX area. In this case, KDRP-LP, a small town LPFM station in Dripping Springs, TX operated by a Christian organization but provides a considerable amount of “secular” services to their community is getting substantial interference from a co-channel translator K276EL in Austin. This case has received media coverage in the

Austin market <sup>2</sup>. This translator, licensed to Educational Media Foundation (EMF) is rebroadcasting KVET(AM), a commercial station owned by Clear Channel and rebroadcasted by EMF under an agreement. Earlier this year when K276EL was moved towards Austin<sup>3</sup>, listeners to KDRP-LP experienced substantial interference which continues to this day. The “all-sports” programming of KVET(AM) being heard by KDRP-LP listeners contains commercials for adult oriented businesses and products and has confused listeners into thinking that KDRP-LP is carrying these advertisements. KDRP-LP has told REC that their donations are substantially down since the K276EL moves. Our own research on the situation shows that K276EL’s interference contour may be completely overlapping KDRP-LP’s protected service contour. This interference is being caused in part to the recent FCC rule changes that permit FM translators to be used as “fill-in” stations for AM stations without regard to 74.1235(b)(2), which specifies maximum antenna heights for translators.

We feel that with the current Media Bureau handling of these applications<sup>4</sup>, LPFM stations will continue to financially suffer to predatory tactics by commercial (and non-commercial) broadcasters.

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<sup>2</sup> - See “Small Town Radio Station Fights Back”, KXAN-TV, June 30, 2011 - <http://www.kxan.com/dpp/news/small-town-radio-station-fights-back>

<sup>3</sup> - See applications BPFT-20110628AAD (granted) and BLFT-20110708ACI (pending).

<sup>4</sup> - Specifically, the fast grant process of minor change construction permits (many times, just two days) and the lack of more concise engineering information provided by applicants resulting in construction without thorough Commission staff oversight resulting in stations being constructed that cause interference.

**Niche markets.** The National Association of Broadcasters wants the Study to take into consideration the impact of LPFM on a small number of full power niche-format stations<sup>5</sup> broadcasting various minority Asian languages and underrepresented music formats such as bluegrass and smooth jazz. We feel that using Schellhardt's "shopping mall" analogy, an LPFM station would only enhance the overall "mall" called the broadcast radio spectrum. From REC's own experiences with the Japanese-American advertising market, we have found that those who buy media advertising will do so through all means including television, print and radio if it is available. Advertisers recognize they are in a niche market and their reach is very small but they will try to reach as much of their culture's community as possible. We can't see this behavior changing with the presence of an LPFM station operating a similar entertainment format. We also note that broadcast entertainment formats can change at any time and it is long Commission policy to not make decisions based on choice of entertainment format<sup>6</sup>. Therefore, we do not feel there is a valid reason to specifically review the impacts of niche format stations by LPFM.

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<sup>5</sup> - NAB comments at 3.

<sup>6</sup> - See WDCU(FM), Washington DC BALED-970630GE and BALED-970815GE (Commission denies Informal Objection over concerns about C-SPAN's qualifications as a non-commercial educational license and specifically addresses concerns by listeners that the elimination of a jazz music format is not grounds to overturn an assignment of license.)

## Conclusion

REC feels that the Commission should follow the Congressional mandate to have an independent study<sup>7</sup> of the alleged impact on full service (commercial) stations by LPFM stations. However, we feel that this report must also include a study on the impact of changes by full service broadcast stations as well as the predatory behavior of FM translator licensees and permittees, such as the case in Dripping Springs, TX has on LPFM stations and demonstrate how these behaviors can significantly offset any economic “harm” caused by LPFM stations to full service stations.

Respectfully submitted,



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<sup>7</sup> - We feel that the organization that does this study should be an independent research company such as MITRE. We do not feel that it would be appropriate that any organization that has a direct connection with either full service broadcasting or LPFM should facilitate such a study as suggested by Christian Community Broadcasters (CCB). CCB Comments at 4.